Financial Bunglings in PNB

3310. SHRI SHIBU SOREN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large scale financial bungling have been found in the Punjab National Bank;

(b) if so, the details of the investigations made/being made in this connection;

(c) the details of the executives involved in the bungling; and

(d) the details of the action taken/to be taken against the officials found guilty in the above case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The role of the then Chairman and Managing Director (CMD) of Punjab National Bank (PNB) and the then Managing Director (MD) of PNB Caps, and others in some allegedly irregular securitties transactions during the period April 1991 to May 1992 was examined in counsultation with the Reserve Bank of India (RBI) and the Central Vigilance Commission (CVC) and it was decided to refer the matter to the Central Bureau of Investigation (CBI) for investigation. The CBI has sinced registered a Preliminary Enquiry in the matter.

The CBI has also registered a regular case against the then CMD of PNB, the then MD of PNB Caps, and others in a matter relating to irregularities in sanction of short term deposit/bridge loans to M/s. Willard India Ltd. and M/s. Solarson Industies Ltd. by PNB Caps. PNB Caps, has filed winding up petitions against the companies.

The completion of the investigation and finding officials guilty after trial in the above cases depends upon the collection and scrutiny of evidence to prove the allegations.

Abolition of surcharge on corporate and personal income tax

3311. SHRI NANA DESHMUKH: Will the Minister of FINANCE be pleased to state:

(a) whether the Confederation of Indian Industry (CH) has requested Government to abolish 10 per cent surcharge on corporate and personal Income Tax;

(b) whether the corporate growth has become buoyant for elimination of 10 per cent surcharge as asserted by CH; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes, Sir.

(b) and (c) In making policy decisions regarding taxation, suggestions received from Trade Associations etc; and objective economic conditions are kept in view. The levy of surcharge has been continued in view of the heavy and unexpected expenditure burden mainly on account of defence requirements and transfer to States mandated by the Finance Commission.

GDP Growth Rate

3312. SHRI KAPIL SIBAL:
SHRI RAJ MOHINDER SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether an estimate of annual growth rate in gross domestic product during the first nine months of the financial year 1999-2000 has been made;

(b) if so, the details of this annual growth rate alongwith its comparison with the growth rate achieved during the last three years in the corresponding period; and

(c) the contribution made by agriculture, industry and service sector in the annual growth rate of first nine months in 1999-2000, separately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The estimates of growth rate in gross domestic product (GDP) at factor cost at 1993-94 prices durring the period April-December for the years 1997-98, 1998-99 and 1999-2000 are as under:—

Period (April-December)	Growth over corresponding period (in per cent)
1997-98	6.2
1998-99	6.3
1999-2000	5.9